

EVERY COMMUNITY IN EVERY COUNTY HAS A STAKE IN PRESERVING THE HERITAGE
AND THE SPECIAL PLACES THAT DRAW VISITORS AND CUSTOMERS TO THEIR DOORS

RETURN ON INVESTMENT

Investment of Accommodations & Rental Vehicle Sales tax dollars in tourism promotion and stabilizing heritage infrastructure is not a gamble, it's a proven way to bring more dollars to Montana.

On the tourism side ➔ Tourism promotion in Montana has had a MINIMUM of a 2:1 return on investment in tax revenues alone since 2004. That means the basic foundation for this proposal, half of appropriated funds to promotion and half to partners, at a minimum, pays for itself after the first year. With recent reports that non-resident spending has increased by over 52% just since 2010, we anticipate this bill will bring even more money into the general fund in years to come.

On the heritage side 🏛️ In the world of heritage tourism and preservation, for every \$1 spent the average return is \$16 to local economies – creating skilled trade jobs, stimulating businesses, and benefitting the state's economy overall.

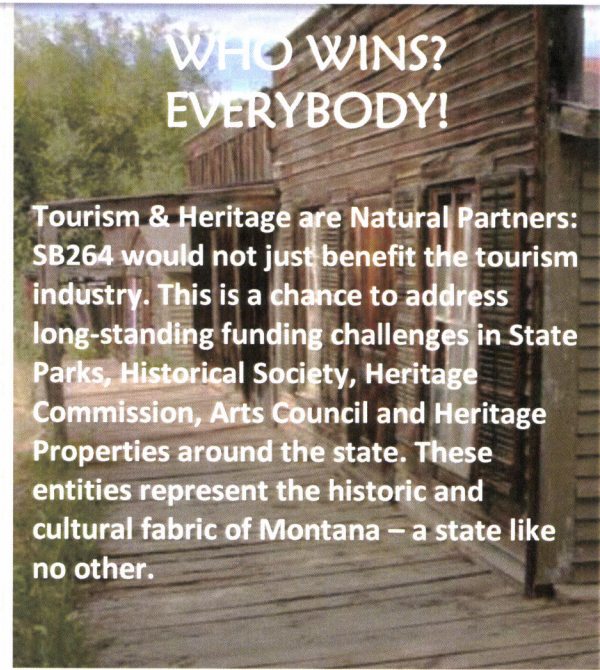
MT Heritage Commission's independent study of Virginia & Nevada Cities calculated an economic footprint of \$62.2 million, which is a return of \$90 for every \$1 in state funding. The cities employ over 1000 people, and draw almost 500,000 visitors per year, making them the #1 state-owned tourist attraction.

MT State Parks (2010), the MT Arts Council (2005) and Montana Association of Museums (2011) also released impact studies, each demonstrating strong economic returns that those sectors contribute to Montana's economy.

- MT State Parks saw 1.9 million annual visitors, including non-residents who spent \$122.3 million sustaining 1,600 jobs.
- MT Arts Council calculated \$233 million annually in artist sales supporting 4,274 jobs
- MT Museums and MT Historical Society together draw more than 1.5 Million visitors yearly, and the hometown Montana museums attract close to \$6 Million in annual out-of-state visitor spending

CAPTURING DOLLARS

The Accommodations and Rental Vehicle sales taxes were created in 2003 with the passage of SB407. They were specifically aimed at capturing non-resident dollars through tourism-related businesses. The overall goal of SB407 was to reduce Montana's highest individual income tax rates and create a capital gains credit for Montanans. Since 2004, total revenues for both taxes have increased by over 80%. Currently, the full Accommodations Tax stands at 7%: the first 4% tax funds tourism promotion and state agency programs, and the 3% tax goes to the general fund. SB264 reallocates 60% of that 3%, or a projected \$14.4 million, to better our prospects for healthy tourism and heritage preservation.



For roughly \$14.4 million, half of 1% of total state revenues last year, this bill would make a meaningful and impactful investment on Montana tourism and Montana's cherished places with benefits extending far into the future.



SB264 BEST PLACE FIRST: GROWING MONTANA'S ECONOMY AND PRESERVING OUR HERITAGE

Sponsored by Sen. Bob Keenan

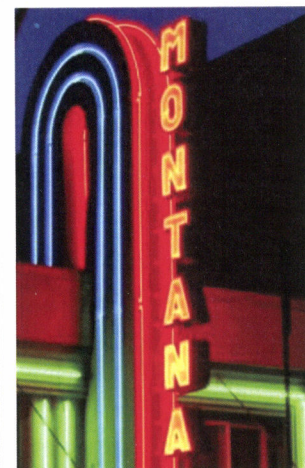
SB264 A GREAT DEAL FOR MONTANANS

- It Reinvests** in Montana's cultural & historical heritage and outdoor recreation spirit
- It Strengthens** local communities and their economic resilience
- It IS fiscally responsible** and accountable to Montana taxpayers

SB264 PROPOSAL

SB264 Appropriates up to 60% of Accommodations Tax & Rental Vehicle Sales tax revenues now going to the state general fund, and expands Montana's ability to:

- Keep** the Montana Brand competitive
- Foster** small business growth & create jobs
- Help** tourism partners and small businesses upgrade facilities and increase repeat visitation to heritage sites and historic communities



SB264 reallocates funds now going to the general fund to increase support for tourism and heritage.

Using budget projections for FY2016, this would equal \$14.4 M, to be split by percentage. Estimates for 2016 are:

One Half or \$7.2 million to augment marketing by MT Office of Tourism and 21 Travel Regions & CVBs

One Half or \$7.2 million to provide **stable** funding for tourism partners, as follows:

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|-----------------------------|---------------|---------------------------------|---------------|
| • MT Tourism, Regions, CVBs | \$5.4 million | • MT Arts Council | \$1.7 million |
| • MT State Parks | \$2.3 million | • MT Heritage Commission | \$835k |
| • MT Historical Society | \$1.7 million | • Heritage Properties statewide | \$605k |

As proposed, the remaining 40% of these taxes (\$9.6 million) would continue to support the general fund.

Montana Must Stay Competitive: Montana's Tourism Industry knows this legislation is critical to maintain our state's position as an authentic and welcoming Western destination. With lower gas prices and an improved national economy, more people will realize their dream of a Montana vacation, therefore tourism partners must keep pace with not only the latest marketing materials and methods, but also modern hospitality standards that provide our visitors a safe, clean, and inviting experience. Montana's Heritage Partners have long advocated for stable funding to support our parks, historic sites, collections and arts – all the things that make Montana unique and draw visitors to our communities.

the FACTS

MONTANA HAS NEVER HAD RELIABLE FUNDING TO MAINTAIN OUR MOST VISITED HERITAGE PROPERTIES.

DEFERRED MAINTENANCE AT MT'S HERITAGE PROPERTIES THREATENS THE VISITOR EXPERIENCE.

THIS BILL PROVIDES FUNDS TO STABILIZE AND PROTECT MONTANA'S SIGNIFICANT HERITAGE PROPERTIES.

Will Montana's Heritage Properties Be There for Visitors and Future Generations?

By creating grants for heritage properties, Montana will ensure that significant historic buildings and sites are well maintained and standing proud for future generations. In the first year alone, roughly \$500,000 would begin to flow to heritage properties now in need of preservation. This will offer a lifeline to enhance and preserve threatened heritage properties and garner generations of new visitors. Properties like:

Montana's Mansions, Rural Schoolhouses, Masonic Temples, Courthouses, Historic Churches, Carnegie Libraries, Trading Posts, Charcoal Kilns, Brickworks, Rock Art, Mining Structures, Fairgrounds, Historic Barns, Homestead Cabins, Grain Elevators, Historical Museums, Country Banks, Community Halls, Theaters, Armories, and more ...